

DEPARTMENT OF STATE REVENUE

Revenue Ruling #1999-06IT
September 24, 1999

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE

Adjusted Gross Income Tax – Application of Amendment to IC 6-3-1-3.5(b)(3) to Fiscal Year Corporations

Authority: IC 6-3-1-3.5(b)(3)

The taxpayer requests the Department to rule on the application of the amendment to IC 6-3-1-3.5(b)(c) to fiscal year corporations.

STATEMENT OF FACTS

The taxpayer is a certified public accounting firm located in Indiana.

DISCUSSION

Prior to an amendment to IC 6-3-1-3.5(b), IC 6-3-1-3.5(b) & (b)(3) stated:

- (b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:
 - (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States or for taxes on property levied by any subdivision of any state of the United States.

The amendment to IC 6-3-1-3.5(b), effective January 1, 1999, deleted the provision that required corporations to "add back" to their "taxable income" taxes on property levied by any subdivision of any state of the United States. The amendment does not address the issue of when the amendment is to be effective for fiscal year corporations, i.e., at the

beginning of their taxable year in 1999 or on January 1, 1999, in which event the corporation would not be required to "add back" property tax levied by any subdivision of any state of the United States on or after January 1, 1999.

The Department's position on this issue is that the amendment to IC 6-3-1-3.5(b)(3) is effective for fiscal year corporations at the beginning of their taxable year in 1999, hence, these corporations are required to "add back" property taxes in 1999 until the beginning of their taxable year in 1999.

RULING

The Department rules that the amendment to IC 6-3-1-3.5 is effective for fiscal year corporations at the beginning of their taxable year in 1999.

CAVEAT

This ruling is issued to the taxpayer requesting it on the assumption that the taxpayer's facts and circumstances, as stated herein, are correct. If the facts and circumstances given are not correct, or if they change, then the taxpayer requesting this ruling may not rely on it. However, other taxpayers with substantially identical factual situations may rely on this ruling for informational purposes in preparing returns and making tax decisions. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material respect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that subsequent to the publication of this ruling, a change in a statute, regulation, or case law could void the ruling. If this occurs, the ruling will not afford the taxpayer any protection.

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